Grayson Rural Electric Cooperative Corporation

109 Bagby Park ♦ Grayson, KY 41143-1292 Telephone 606-474-5136 ♦ 1-800-562-3532 ♦ Fax 606-474-5862

RECEIVED

MAY 1 5 2003

PUBLIC SERVICE COMMISSION



Mr Thomas M. Dorman, Executive Director Kentucky Public Service Commission P. O. Box 615 Frankfort, KY 40602-0615

Dear Mr. Dorman:

Grayson RECC was simply overwhelmed by the ice storm that descended on our system February 15, 2003. My Directors and Staff all agree that this storm was unlike anything we have ever experienced. Even the "oldtimers" in our area don't have any stories to overshadow this experience.

The ice developed so quickly and in such erratic patterns that it was not safe to send our employees into wooded areas for several hours. Trees and poles were breaking and lines were sagging and it was not safe to attempt assessment or repairs. Roads were nearly impassable due to "black ice" and fallen trees. My staff was in place at the office by 9:00 p.m., but we lost power and had to resort to a generator to try to reactivate phones and radio service. Early on the morning of the 16th, we did not have one functional substation and every one of our 16,000 plus meters were without power. We still did not have a good assessment of our situation at that time, due to the physical circumstances that prevented safe navigation of our rugged and mountainous system. Seven other Kentucky Cooperatives were also suffering severe hardships, along with American Electric Power and Kentucky Utilities.

Grayson RECC has 39 employees and our contractor is EZ Electric, Inc., out of Huntington, West Virginia. They have three crews that work for us in the performance of new line extensions and RUS work order projects. We also have contracts with Kendall Tree Service, Inc., and Smith Tree Service and various other dozer and equipment operators who work on an as-needed basis. However, due to the severity of the weather conditions and the widespread areas affected, we began to request additional help from the Kentucky Association of Electric Cooperatives, Inc., and East Kentucky Power Cooperative, Inc. This presented another complicated problem for the following reasons: (1) Most contractors respond to their contract holders first. (2) We were competing with 7 cooperatives and other neighboring utilities, including the companies that serve Allegheny regions to the east of us. (3) Due to the way our contract work is bid, we have not had a working relationship with other contractors for the past 10 years or more and have not had any reason to do so.

We have a mutual aid arrangement with Kentucky Cooperatives and five of them responded to our predicament. They were Licking Valley RECC, Cumberland Valley RECC, Warren Electric, South Kentucky Electric Cooperative and Jackson Energy Cooperative. Most of these are located in the southeast area of Kentucky. They sent us all the people and equipment they could spare and still not put their own systems at risk. In accordance with our mutual aid agreement, we provided those crews with food, and lodging.

Our next resource was East Kentucky Power Cooperative, Inc. Grayson RECC is a member/owner of EKPC, which provides our generation and transmission services. They sent manpower and equipment including a bulldozer. Their employee, Carl Blackwell, also serves as a clearinghouse that helps link contractors to cooperatives in distress. Unfortunately, our distress period continued for approximately 10 days, during which time several thousand members were without power. As contractors became available, they would notify Mr. Blackwell, who in turn notified the affected Cooperatives. Our strategy was to house these people as close to where we needed them to work as possible. When we talked to their representatives, we asked for rate sheets and work rosters. Our own employees signed their timesheets and coordinated work placement. There was absolutely no time to solicit and compare bids in the usual manner.

During the event period, we used Grayson personnel primarily to organize and guide restoration efforts. This effort involved 444 outside personnel in addition to our own employees and they all worked many hours per day, for over 10 days in a row, to rebuild lines, replace broken poles and restore power.

Power was finally restored to the last member on March 4, the 17th day. Restoration was then started on camps, barns and other non-occupied structures. We took the next two weeks for immediate assessment of the system. We catalogued remaining work and right –of-way needs and started removing and disposing of damaged materials such as cross arms, transformers and unusable wire. We also started drawing work order prints on all storm related jobs. Contractors were contacted to assist us with the remaining storm damage. To date, 730 poles have been replaced.

Sincerely,

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Carol Hall Fraley
President & CEO

CHF

PRIORITIZATION OF REPAIRS

- A. Substations (assistance to East Kentucky Power Cooperative, Inc.)
- B. Feeders and Circuits out of Substations
- C. 3 Phase Lines
- D. Secondary Lines
- E. Single Phase Lines that serve the largest numbers of members
- F. Individuals transformers, service wires, etc.
- G. Camps, Barns, Unoccupied Structures
- ** Special consideration is given to radio stations/public information, health facilities, places of public service like grocery stores, gas stations, and hotels. Grayson RECC submitted a copy of our updated Emergency Response Plan to the Kentucky PSC on May 16, 2002. See copy of letter below:

May 16, 2002

Kentucky Public Service Commission PO Box 615 Frankfort, KY 40602-0615

Dear Sirs:

Enclosed is a copy of our recently updated Emergency Response Plan. If you have any questions, please call me Monday through Friday between the hours of 7:30 am and 4:30 pm.

Sincerely

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Bonita Gearhart Executive Assistant

TIMELINE

SMITH'S TREE SERVICE - 2/17 THROUGH 2-28

3 MEN, TRUCK AND CHIPPER

DILLARD SMITH, INC. - 2/17 THROUGH 3/1/03

38 EMPLOYEES

- 1 SUPERVISOR
- **2 GENERAL FOREMEN**
- 2 MECHANICS
- **5 CREW FOREMEN**
- 13 LINEMEN
- **3 APPRENTICE ONE LINEMEN**
- **5 APPRENTICE TWO LINEMEN**
- **6 EQUIPMENT OPERATORS**
- 1 SAFETY MAN
- 3 BUCKET TRUCKS AND 3 DIGGER DERRICK TRUCKS, ¾ TON 4X4 PICKUP, POLE TRAILER, 1 ½ TON SERVICE TRUCK, AND 6X6 ATV

UTILICO, INC.- 2/18 THROUGH 2/28 ** CURRENTLY WORKING ON CLEAN UP

- **12 MEN**
- 3 FOREMEN
- 2 LINEMEN
- 2 APPRENTICE LINEMEN
- 3 OPERATORS
- 1 LABORER
- 1 SUPERVISOR

SKIDSTEER, 4 PICKUP TRUCKS, 2-BUCKET TRUCKS, POLE TRAILER, FLAT BED DUMP, BOMBADIER, 2 DIGGER DERRICKS

DAVIS H. ELLIOTT, INC. – 2/25 THROUGH 3/3/03

20 MEN

- 1 GENERAL FOREMAN
- 2 APPRENTICE LINEMEN
- 2 FOREMEN
- 11 FIRST CLASS LINEMEN
- 1 OPERATOR
- 3 TRUCK DRIVERS

DUMP TRUCK WITH TRAILER, TRACKHOE, 2 PICKUPS, 5 DIGGER DERRICKS, POLE TRAILER, 6-BUCKET TRUCKS, 5 PICKUPS

PHASE THREE ELECTRIC, INC.- 2/19 THROUGH 3/2/03

- 11 MEN
- 1 SUPERINTENDENT
- 1 FOREMAN
- 2 LINEMEN
- **4 OPERATORS**
- **3 GROUNDMEN**
- 2-BUCKET TRUCKS, 2 DIGGER DERRICKS, 2 DOZERS, 2 PICK UPS, POLE TRAILER AND 4 WHEELER

PIKE ELECTRIC, INC. – 2/23 THROUGH 3/9/03

130 MEN

- 25 FIRST CLASS LINEMEN
- **37 APPRENTICE LINEMEN**
- 14 GROUNDMEN
- **8 B LINEMEN**
- 10 EQUIPMENT OPERATORS
- **6 CONSTRUCTION LINEMEN**
- 22 TRUCK DRIVERS
- 2 WORKING FOREMAN
- 3 GENERAL FOREMAN
- 1 MECHANIC
- 2 SUPERVISORS

16-BUCKET TRUCKS, 17 4X4 PICKUPS, 13 LINE TRUCKS

G AND S, INC. - 2/18 THROUGH 2/28/03

6 MEN

BUCKET TRUCK, DIGGER DERRICK, 2 SERVICE TRUCKS

DOBSON ELECTRIC, INC. - 2/21 THROUGH 2/22/03

2 MEN

SERVICE TRUCK

B AND B ELECTRIC, INC.- 2/18 THROUGH 3/5/03 ** CURRENTLY WORKING ON CLEANUP

18 MEN

7-BUCKET TRUCKS, 2 DIGGER DERRICKS, 6 SERVICE TRUCKS, 1 BOOM TRUCK

<u>EZ ELECTRIC, INC.</u> – 2/16/ THROUGH 3/5/03 *** GRECC REGULAR CONTRACTORS

9 MEN

LINE TRUCKS, BUCKET TRUCKS, SERVICE TRUCKS, DIGGER DERRICKS

JACKSON ENERGY COOPERATIVE, INC. - 2/17 THROUGH 2/25/03

32 MEN

6 PICKUP TRUCKS, 6-BUCKET TRUCKS, 1-TON TRUCK

CUMBERLAND VALLEY RECC - 2/17 THROUGH 2/28/03

13 MEN

3 SERVICE TRUCKS, 1 POLE TRAILER, 1-BUCKET TRUCK, 4 DIGGER DERRICKS

WARREN RECC - 2/23/ THROUGH 2/28/03

11 MEN

2-BUCKET TRUCKS, 3 SERVICE TRUCKS

LICKING VALLEY RECC - 2/20 THROUGH 2/28/03

16 MEN

5 LINE TRUCKS, 3 PICK UP TRUCKS

SOUTH KENTUCKY RECC - 2/17 THROUGH 2/28/03

18 MEN

4-BUCKET TRUCKS, 2 DIGGER DERRICKS, 1 POLE TRAILER

W. A. KENDALL, INC. - ROW * REGULAR ROW CONTRACTOR 2/22 THROUGH 3/8/03 STORM TIME

52 MEN

3-BUCKET TRUCKS, 1 CHIPPER, 11 POWER SAWS, 5 CREW CAB TRUCKS, 4WD TRACTOR, 1 4X4 PICKUP, 1 DUMP/CHIPPER TRUCK

ASPLHUND TREE SERVICE, INC - ROW 2/22 THROUGH 3/1/03

53 MEN

14 TRIMFITS, 50 POWER SAWS, 2 SPILT DUMP TRUCKS, 10 CREW CAB PICKUPS

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION, INC.

39 EMPLOYEES ** EVERYONE WORKED DURING THE STORM, IN ADDITION TO TWO RETIRED EMPLOYEES

1 EXPLORER, 24 4X4 PICKUPS, 1 LINE TRUCK, 1 DIGGER DERRICK, 1-BUCKET TRUCK

NUMBER OF CUSTOMERS WITHOUT POWER (12 HOUR INCREMENTS)

Attached are reports we made to the PSC throughout the storm period. Due to the widespread nature of the storm and the number of crews working on restoration, it is impossible to provide this information in 12-hour increments. Below is a copy of the information reported:

SAMPLE

Grayson RECC		
Customers without power	Greenup and/or Lewis County 10-12 Total: 10-12	
Estimated restoration date	These 10-12 consumers should be restored today. These are just individual calls.	
Problem Counties		
Substations	All are operational	
Broken Poles	400-500 poles were broken from the storm. Many of these poles have been replaced or temporarily bypassed.	
Critical loads without power	None	
Other comments	Most of the additional crews have been released but a few additional crews remain to help in the clean-up process. We expect to release these crews on Thursday morning.	

AVAILABILITY AND EFFECTIVENESS OF CONTRACT CREWS AND/OR MUTUAL AID CREWS

East Kentucky Power Cooperative, Inc. serves as a clearinghouse for aid during emergencies. They were very effective in matching crews to the needs of the Cooperatives. The most difficult part of the process is having guides to take each crew to the work site, make sure they have proper materials, get them fed and housed, keep them reasonably safe and answer questions from our members because they don't know where they are, much less what we are trying to accomplish. They know line repair. They don't know our system and how it works. The Cooperative mutual aid is much more effective in that respect and in the manner of work. Many line construction techniques are unique to RUS Cooperatives and often contractors don't perform certain work like we do. Another problem is the overwhelming task of feeding and housing these people.

They can't sleep in their trucks in sub zero weather and all our hotels were full of local people who were out of power. As a result, we housed some of our help in the new Carter County Detention Center and in the East Carter Middle School Gym.

OPERATIONAL COORDINATION BETWEEN OUR UTILITY AND CONTRACTORS, VOLUNTEERS AND GOVERNMENTAL AGENCIES

Due to the nature of our work, we do not accept help from volunteers except in support services. We had several organizations that fed our workers at area churches or volunteer fire departments and in the field. We worked closely with the County Judge Executives and their Disaster Emergency Departments who helped our members who needed assistance. The Disaster Emergency Departments also worked with us to make sure roads were cleared so that we could have access to the areas where we were trying to restore power. We appreciate the Kentucky Public Service Commission's efforts to put us in touch with the Kentucky National Guard who also assisted in clearing roadways and helping our members clear driveways, yards and other problems they could not perform for themselves. I had a lot of good comments from senior citizens who really appreciated this.

AVAILABILITY OF MATERIALS AND SUPPLIES

We did not have any problem with material delivery. We keep at least one month's inventory at all times. In order to expedite restoration, we also used material drops in the hardest hit locations that were farthest from the warehouse.

TREE TRIMMING PRACTICES AND HISTORY

If our right of way had not been in good shape, restoration would have been delayed for weeks. We are on a five year cycle and the methods we use are: Clear cutting, herbicide spraying, bulldozing and reseeding with grass, side trimming, and bush hogging.

CONSUMER HOURS OUT AND UTILITY EXPENDITURES PER CONSUMER HOUR OUT.

<u>Date</u>	Customers Out-Full Day	Consumer Hours Out
15-Feb	16,000+	384,000
16-Feb	15,000	360,000
17-Feb	8,000	192,000
18-Feb	7,000	168,000
19-Feb	6,000	144,000
20-Feb	6,000	144,000
21-Feb	5,000	120,000
22-Feb	5,000	120,000
23-Feb	4,500	108,000
24-Feb	4,500	108,000
25-Feb	4,000	96,000
26-Feb	3,000	72,000
27-Feb	2,500	60,000
28-Feb	1,000	24,000
1-Mar	500	12,000
2-Mar	500	12,000
3-Mar	200	4,800
4-Mar	200	4,800
5-Mar	100	2,400
6-Mar	50	1,200
7-Mar	25	600
Total		2,137,800
Utility Expendit	ures	
FEMA Eligible		\$4,500,000
	A Eligible	\$ 500,000
THOU I ENT		\$5,000,000
Utility Expenditures per Consumer Hours Out		\$ 2.34

CALL CENTER OPERATIONS

The call center was manned at all times by Cooperative personnel. At least 6 people were on phone duty from 6 a.m. to 12 midnight. Dispatchers were on duty from 12:0l a.m. to 6:00 a.m. We do not have outage tracking software. See copy of daily work assignments below:

Sample

2/26/03

CARTER

EKPC (BRUCE/GARY MIKE GRABOVICH, ISONVILLE VFD ERNIE MAGGARD, B & B CREW DAVIS ROAD OFF AIRPORT ROAD

BRUCE SILCOTT & PIKE CREW DUDLEY

R/W CREW

JIM HALLMAN AIRPORT ROAD TAPS, HANSHAW RD,

PIKE BASIL HOLLOW, HOLBROOK

R/W, DOZER, MILLARD CORDLE HOLLOW, OPEN FORK, ROAR LANE,

CARROLL BRANCH

HERBIE, UTILICO THURMAN LANE OFF COREY RDG

(POLES) CHURCH ROAD (11 POLES)

W A KENDALL R/W (2 CREWS) AIRPORT RD-SINKING SIDE, ROSE

JAKES CREWS BRANCH

B&B

GENE BUSH/PIKE JAMES CHAPEL RD, PRATER RD,

EKPC (2) 3 PINE, TROUGH CAMP

JOHN SIMMONS, B & B CREW SMOKEY, SMITH CREEK, SUTTON,

RON EVANS SODBUSTER ROE, JOHN MOORE

CUMBERLAND VALLEY HILL

PIKE CREW HEAD OF SMOKEY TO JORDAN FORK

(7 POLES) & TAPS

DILLARD SMITH-GARY STEVENS MENIX ROAD (BY NOON)

RANDY BLEVINS/DAVIS ELLIOTT OPOSSUM HOLLOW

EKPC JOHN TIERNEY TAP

BRIAN POLING/PIKE WALTER SAMMONS, HOMER LOWE,

JOANNA CLEVENGER, NEXTTEL

ELLIOTT

DALE LITTLETON BILL DELONG

ROGER AUXIER-DOZER

ALL TAPS OFF OF ROUTE 504 TOWARD ROWAN CO, ARAB

BILLY R. WILSON 173 TOWARD WAGNERS CORNER &

KYLE CLEVENGER TAPS

GREENUP

CHRIS MOSIER SHEEP HOLLOW, 2-3 HOUSES ON

DAVIS ELLIOTT SCHULTZ

DONNIE MARTIN SUNSHINE

W A KENDALL R/W

MIKE MARTIN, B & B HEAD OF LEATHERWOOD, TICK RDG, MARK HUTCHINSON CLAY LICK RIDGE 3 PHASE, GREENBO

PIKE CREW

MIKE BLEVINS SCAFFOLD LICK, ZIONS RIDGE 2 PIKECREWS BEAUTY RIDGE, AA TOWARD

JOHN SPARKS – DOZER BRIARY, GREYS BR, HEAD OF

SCHULTZ, BEAUTY RDG, PLUM FORK

LARRY WEESE GRIZZLE HOLLOW, ZIONS RIDGE,

ASPLUNDH SCHULTZ, FORK OF THREE PRONG

JOE SARGENT

G & S CREW FROM BIG SANDY

LITTLE WHITE OAK THEN TO BIG

WHITE OAK, HORSE HOLLOW, ZION

PIKE CREW RIDGE, PLUM FORK HILL

ROWAN

DAVE HOLBROOK

UTILICO (CHRIS) SETTING POLES, E CLACK MTN, DRY

CREEK

SOUTH KY 504 FROM ROWAN SIDE TOWARD THE

FAIRVIEW CHURCH, HIPPY HOLLOW,

ELLIOTTVILLE AREA

SOUTH KY TEMPLEMAN ROAD, DITNEY RDG TO

SHANE JOHNSON

* WHEN THEY FINISH, BOTH SOUTH KY CREWS WILL GO TO MABRY RIDGE (NEW LINE PLANNED)

STANLEY JENKINS BROWN RIDGE TAPS

WARREN CREWS

PHASE III ELECTRIC TRENT RIDGE

LICKING VALLEY RECC LOWER OAK GROVE

RICHARD & SHIRL UPPER LICK DK, LOST HILLS, 519,

EDGEWATER RD DENZIL FOSTER TAP

(1 PERSON)

2 PIKE CREWS JONES RDG, PERKINS RD TO SLAB

PIKE CAMP, 1274 (6 PEOPLE OFF)

PIKE CRIX RIDGE
PIKE WEAVER RIDGE

COMMUNICATIONS WITH CUSTOMERS, MEDIA, PUBLIC OFFICIALS, GOVERNMENTAL AGENCIES, PSC

We used press releases daily with local and area newspapers and with local radio stations twice each day. We also called local radio stations to give them verbal reports. We send reports to the PSC each day and also sent reports to the Kentucky Association of Electric Cooperatives and East Kentucky Power Cooperative, Inc. A copy of each are attached. We also used a message on our call center and called our county and local officials several times each day.

Each employee on call received daily reports of where the crews were working and what we expected to be restored that day. If we knew an area would not be restored, we told our members and offered to put them in touch with the appropriate agency if they needed to be evacuated or needed medical help. We do not publish reports of where our people are working for safety reasons. We had a contract crew held a gunpoint a few years ago and we feel it is best not to publish specific information. See samples of Press Release and On Hold message below:

Press Release

For immediate release:

February 24, 2003

Contact Information:

Kim Bush

800-562-3532

474-5136

leave message @ 474-2125

email: kimb@graysonrecc.com

fax: 474-5862 or 474-2130

GRAYSON R.E.C.C. ICE STORM OUTAGE UPDATE

Grayson, KY. - Efforts by Grayson Rural Electric Cooperative Corporation to

restore power to its members continues today as the cooperative struggles to overcome

the devastation from the ice storm that blanketed Kentucky the past weekend.

An estimated 1,800 people are still without power today, over one week after the storm

covered our area. Grayson R.E.C.C. is in the process of replacing over 400 poles and

restoring power to single phase lines, small communities and individual homes and

businesses.

The hardest hit areas served by Grayson RECC include western Carter County,

Northern Greenup County, Lewis County and Rowan County. Linemen and

Right-of-Way crews from seven states are working long hours to repair and replace

broken poles and downed lines throughout these counties.

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"It is very important that the general public stay away from downed power lines. All lines should be treated as energized lines and should be reported immediately to Grayson Rural Electric." said **Kim Bush**, **Director**, **Member & Employee Relations**.

Kim Bush also asked that customers with leaning service poles or services pulled loose from their homes should contact Grayson Rural Electric. These should be considered dangerous and proper safety precautions should be observed. Service men from Grayson R.E.C.C. will attend to these hazards as soon as possible.

Grayson Rural Electric would also like to thank our members for their continued patience and for the many kind words and gestures shown to our workers during this very trying time. Many communities and members have opened up fire stations, churches and even homes to help feed our workers. Some have just stopped by to give words of encouragement. Cooperative employees have been working since early Saturday evening, February 15th and have had little rest during the week.

To report outages or service problems, Grayson R.E.C.C. customers should call 800-562-3532 or 474-5136. As we are still experiencing a large volume of calls, please be patient with us as we try to answer all calls in a timely matter.

Grayson R.E.C.C. serves 15,000 in six Kentucky counties.

For more information contact:

Kim Bush, Director, Member & Employee Relations, 606-474-5136 or leave message @ 474-2125.

ON-HOLD MESSAGE

When widespread outages occur like the ice storm experienced this past weekend, the goal of Grayson Rural Electric is to restore service in the safest and most efficient manner.

The first location checked is the substation. From this point the lineman work their way out on the main distribution lines. These primary lines deliver power to secondary lines and service drops that serve your individual homes and businesses. They then move on to the tap lines that run from a main distribution line and serve small numbers of consumers. Finally, they work on individual services. These lines run from the transformer to the customer's electric meter.

Fixing the power at an individual home first is useless if the substation or a main feeder line is not energized.

We apologize for any inconvenience you have experienced throughout this extended outage but be encouraged that we have our crews along with approximately 180 extra men helping to restore power. We thank you for your patience and kind words.

PLANS FOR POST RESTORATION CLEANUPS AND OUTSIDE FACILITY INSPECTORS

Clean up is on going. At this time we have two outside contractors assisting us and we expect them to work about three more weeks. As of Friday, May 2, 2003, we have documented 730 broken poles. Several work orders remain to be executed before a final count can be given. Ten percent of our work orders are inspected by a certified engineer, in accordance with Rural Utility Service requirements. Our employees are inspecting line sections for further damage. We believe we will feel the effects of this storm for several months.

WHAT SERVICE/SUPPORT COULD THE PSC OFFER THAT WOULD BE OF ASSISTANCE?

Continue to monitor our processes so that you can assure our members we are making every effort to restore power in a timely, safe and efficient manner. You can reassure them that we really are working and we really are answering the phones. We appreciated the visit from Mr. David White because we believe that the Kentucky Public Service Commission should see first hand the situation affecting our members. Any suggestions you might have that would improve our restoration process would certainly be appreciated.

We feel that our processes were well handled and efficient. We are happy to report that our employees and contractors came though this ordeal safely and no reports of injuries related to power restoration were reported from our members. Considering the fact that over 437 contractors and 39 of our employees were deployed over a six county area, we think this is a real accomplishment. The safety of our employees and members is always our top priority.

We also appreciate the good relationship we have with our elected officials and community support services. We work closely with them to assist our members every day and especially in times of emergency.

Should you have questions or further comments, we would be pleased to hear from you.

Sincerely,

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Carol Hall Fraley President and CEO